STANDARD FORM NO. 64

SECRET

Office Memorandum · UNITED STATES GOVERNMENT

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TO : ARA - Mr. Woodward

DATE: June 29, 1954

FROM : MID - Mr. Ohmans

SUBJECT: Comments on "Plan of Action"

1. My first reaction to the plan applies to the question of timing of our action. In view of recent developments regarding the Guatemalan military junta plus the intended visit of the Peace Committee, I believe we should wait until peace in Guatemala is assurred, and the Peace Committee has reported, in a preliminary way at least. We should then proceed with the plan schedule which you developed.

2. There is no reference to the Empresa Electrica difficulties. I think Miron Reed, Vice President of EBASCO in New York, should be invited to join in our discussions with important American business interests in Guatemala.

3. With respect to paragraph 8 — work on the Inter-American highway — the first action which has to be taken is to have Guatemala renew its note of December 22, 1952. This offered assurances to the U.S. which would permit U.S. funds to be spent in Guatemala. When this note is received, we could then proceed to answer it and allocate funds to Guatemala.

4. The Government of Nicaragua has convoked a meeting of ODECA in Managua for December 10. I believe we should encourage the Nicaraguan Government to invite the new government of Guatemala to rejoin that organization.

5. Before a MDAP agreement can be negotiated, Guatemala must sign the Rio Treaty despite its reservation on Belize.

6. Finally, I suggest that immediately a public joint U.S.-Guatemalan group be encouraged to meet intensively in Guatemala to block out a program of action for prompt renewal of Guatemala's trade and tourist activity.

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ARA:MID:JLOhmans:atm;mt

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